
HOUSE BILL No. 1910

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-2-9; IC 20-3.1-15-1; IC 20-5; IC 20-8.1; IC 20-10.1; IC 21-2; IC 21-3-1.7-9.9.

Synopsis: Funding public and nonpublic school textbooks. Abolishes the public school textbook rental program and the public school textbook library program. Provides textbooks for students in accredited nonpublic schools through a parental reimbursement program. Redefines "textbook" to include the various kinds of instructional materials that are currently eligible for state reimbursement under the textbook assistance program. Requires a school corporation to establish a textbook fund and to appropriate money from the fund to purchase and distribute textbooks. Provides an annual state textbook grant and appropriation to school corporations of \$85 per ADM for deposit in the textbook fund. Appropriates money for an \$85 per student textbook reimbursement to parents of students in accredited nonpublic schools. Makes conforming changes and transitional provisions.

Effective: July 1, 2003.

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January 23, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1910

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-2-9-6 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) Where a school lunch fund ~~or~~
3 ~~a textbook rental fund~~ is created under section 4 ~~or section 5~~ of this
4 chapter, the receipts and expenditures for ~~each~~ **the** program shall be
5 made to and from the ~~proper~~ **school lunch** fund without appropriation
6 or the application of other laws relating to the budgets of local
7 government units.

8 (b) Where ~~either or both programs~~ **the program** under section 4 ~~and~~
9 ~~section 5~~ of this chapter ~~are~~ **is** handled through the ~~extra-curricular~~
10 **extracurricular** account, the township trustee shall approve the
11 amount of the bond of the treasurer of the ~~extra-curricular~~
12 **extracurricular** account in an amount he considers protects the
13 account for all funds coming into the hands of that treasurer.

14 SECTION 2. IC 20-3.1-15-1, AS AMENDED BY P.L.1-2002,
15 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2003]: Sec. 1. To provide the board with the necessary
17 flexibility and resources to carry out this article, the following apply:

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(1) The board may eliminate or modify existing policies, create new policies, and alter policies from time to time, subject to this article and the plan developed under IC 20-3.1-7.

(2) Beginning on July 1, 2001, IC 20-7.5 applies to the school city; however, the provision of IC 20-7.5-1-5(a) that requires any items included in the 1972-1973 agreements between an employer school corporation and an employee organization to continue to be bargainable does not apply to the school city.

(3) The board of school commissioners may waive the following statutes and rules for any school in the school city without the need for administrative, regulatory, or legislative approval:

(A) The following rules concerning curriculum and instructional time:

511 IAC 6.1-3-4

511 IAC 6.1-5-0.5

511 IAC 6.1-5-1

511 IAC 6.1-5-2.5

511 IAC 6.1-5-3.5

511 IAC 6.1-5-4

(B) The following rules concerning pupil/teacher ratios:

511 IAC 6-2-1(b)(2)

511 IAC 6.1-4-1

(C) The following statutes and rules concerning textbooks, and rules adopted under the statutes:

IC 20-10.1-9-1

IC 20-10.1-9-18

IC 20-10.1-9-21

~~IC 20-10.1-9-23~~

IC 20-10.1-9-27

IC 20-10.1-10-1

IC 20-10.1-10-2

511 IAC 6.1-5-5

(D) The following rules concerning school principals:

511 IAC 6-2-1(c)(4)

511 IAC 6.1-4-2

(E) 511 IAC 2-2, concerning school construction and remodeling.

(4) Notwithstanding any other law, a school city may do the following:

(A) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school city purpose.

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(B) Establish a professional development and technology fund to be used for:

- (i) professional development; or
- (ii) technology, including video distance learning.

(C) Transfer funds obtained from sources other than state or local government taxation among any account of the school corporation, including a professional development and technology fund established under clause (B).

(5) Transfer funds obtained from property taxation among the general fund (established under IC 21-2-11) and the school transportation fund (established under IC 21-2-11.5), subject to the following:

(A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this clause.

(B) This clause does not allow a school corporation to transfer to any other fund money from the debt service fund (established under IC 21-2-4).

SECTION 3. IC 20-5-2-2, AS AMENDED BY P.L.286-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. In carrying out the school purposes of each school corporation, its governing body acting on its behalf shall have the following specific powers:

(1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law.

(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment therefor.

(2.5) To appropriate from the general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based upon the school corporation's previous year's average daily membership (as defined in IC 21-3-1.6-1.1) for the purpose of promoting the best interests of the school corporation by:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job



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1 applicants; or

2 (C) developing relations with other governmental units.

3 (3) To acquire, construct, erect, maintain, hold, and to contract for
4 such construction, erection, or maintenance of such real estate,
5 real estate improvements, or any interest in either, as the
6 governing body deems necessary for school purposes, including
7 but not limited to buildings, parts of buildings, additions to
8 buildings, rooms, gymnasiums, auditoriums, playgrounds, playing
9 and athletic fields, facilities for physical training, buildings for
10 administrative, office, warehouse, repair activities, or housing of
11 school owned buses, landscaping, walks, drives, parking areas,
12 roadways, easements and facilities for power, sewer, water,
13 roadway, access, storm and surface water, drinking water, gas,
14 electricity, other utilities and similar purposes, by purchase, either
15 outright for cash (or under conditional sales or purchases money
16 contracts providing for a retention of a security interest by seller
17 until payment is made or by notes where such contract, security
18 retention, or note is permitted by applicable law), by exchange, by
19 gift, by devise, by eminent domain, by lease with or without
20 option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or
21 IC 21-5-12. To repair, remodel, remove, or demolish any such real
22 estate, real estate improvements, or interest in either, as the
23 governing body deems necessary for school purposes, and to
24 contract therefor. To provide for energy conservation measures
25 through utility energy efficiency programs or under a guaranteed
26 energy savings contract as described in IC 36-1-12.5.

27 (4) To acquire such personal property or any interest therein as
28 the governing body deems necessary for school purposes,
29 including but not limited to buses, motor vehicles, equipment,
30 apparatus, appliances, books, furniture, and supplies, either by
31 outright purchase for cash, or under conditional sales or purchase
32 money contracts providing for a security interest by the seller
33 until payment is made or by notes where such contract, security,
34 retention, or note is permitted by applicable law, by gift, by
35 devise, by loan, or by lease with or without option to purchase and
36 to repair, remodel, remove, relocate, and demolish such personal
37 property. All purchases and contracts delineated under the powers
38 given under subdivision (3) and this subdivision shall be subject
39 solely to applicable law relating to purchases and contracting by
40 municipal corporations in general and to the supervisory control
41 of agencies of the state as provided in section 3 of this chapter.

42 (5) To sell or exchange any of such real or personal property or

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1 interest therein, which in the opinion of the governing body is not
 2 necessary for school purposes, in accordance with IC 20-5-5, to
 3 demolish or otherwise dispose of such property if, in the opinion
 4 of the governing body, it is not necessary for school purposes and
 5 is worthless, and to pay the expenses for such demolition or
 6 disposition.

7 (6) To lease any school property for a rental which the governing
 8 body deems reasonable or to permit the free use of school
 9 property for:

10 (A) civic or public purposes; or

11 (B) the operation of a school age child care program for
 12 children aged five (5) through fourteen (14) years that operates
 13 before or after the school day, or both, and during periods
 14 when school is not in session;

15 if the property is not needed for school purposes. Under this
 16 subdivision, the governing body may enter into a long term lease
 17 with a nonprofit corporation, community service organization, or
 18 other governmental entity, if the corporation, organization, or
 19 other governmental entity will use the property to be leased for
 20 civic or public purposes or for a school age child care program.
 21 However, if the property subject to a long term lease is being paid
 22 for from money in the school corporation's debt service fund, then
 23 all proceeds from the long term lease shall be deposited in that
 24 school corporation's debt service fund so long as the property has
 25 not been paid for. The governing body may, at its option, use the
 26 procedure specified in IC 36-1-11-10 in leasing property under
 27 this subdivision.

28 (7) To employ, contract for, and discharge superintendents,
 29 supervisors, principals, teachers, librarians, athletic coaches
 30 (whether or not they are otherwise employed by the school
 31 corporation and whether or not they are licensed under
 32 IC 20-6.1-3), business managers, superintendents of buildings and
 33 grounds, janitors, engineers, architects, physicians, dentists,
 34 nurses, accountants, teacher aides performing noninstructional
 35 duties, educational and other professional consultants, data
 36 processing and computer service for school purposes, including
 37 but not limited to the making of schedules, the keeping and
 38 analyzing of grades and other student data, the keeping and
 39 preparing of warrants, payroll, and similar data where approved
 40 by the state board of accounts as provided below, and such other
 41 personnel or services, all as the governing body considers
 42 necessary for school purposes. To fix and pay the salaries and

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1 compensation of such persons and such services. To classify such
2 persons or services and to adopt schedules of salaries or
3 compensation. To determine the number of such persons or the
4 amount of services thus employed or contracted for. To determine
5 the nature and extent of their duties. The compensation, terms of
6 employment, and discharge of teachers shall, however, be subject
7 to and governed by the laws relating to employment, contracting,
8 compensation, and discharge of teachers. The compensation,
9 terms of employment, and discharge of bus drivers shall be
10 subject to and shall be governed by any laws relating to
11 employment, contracting, compensation, and discharge of bus
12 drivers. The forms and procedures relating to the use of computer
13 and data processing equipment in handling the financial affairs of
14 such school corporation shall be submitted to the state board of
15 accounts for approval to the end that such services shall be used
16 by the school corporation when the governing body determines
17 that it is in the best interests of the school corporation while at the
18 same time providing reasonable accountability for the funds
19 expended.

20 (8) Notwithstanding the appropriation limitation in subdivision
21 (2.5), when the governing body by resolution deems a trip by an
22 employee of the school corporation or by a member of the
23 governing body to be in the interest of the school corporation,
24 including but not limited to attending meetings, conferences, or
25 examining equipment, buildings, and installation in other areas,
26 to permit such employee to be absent in connection with such trip
27 without any loss in pay and to refund to such employee or to such
28 member his reasonable hotel and board bills and necessary
29 transportation expenses. To pay teaching personnel for time spent
30 in sponsoring and working with school related trips or activities.
31 (9) To transport children to and from school, when in the opinion
32 of the governing body such transportation is necessary, including
33 but not limited to considerations for the safety of such children
34 and without regard to the distance they live from the school, such
35 transportation to be otherwise in accordance with the laws
36 applicable thereto.

37 (10) To provide a lunch program for a part or all of the students
38 attending the schools of the school corporation, including but not
39 limited to the establishment of kitchens, kitchen facilities, kitchen
40 equipment, lunch rooms, the hiring of the necessary personnel to
41 operate such program, and the purchase of any material and
42 supplies therefor, charging students for the operational costs of

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such lunch program, fixing the price per meal or per food item. To operate such lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in any surplus commodity or lunch aid program.

(11) To purchase textbooks ~~to~~ **and** furnish ~~them~~ **textbooks** without cost ~~or to rent them~~ to students ~~to participate in any textbook aid program,~~ all in accordance with applicable law. **A school corporation may not conduct a textbook rental program for students enrolled in the school corporation.**

(12) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(13) To levy taxes, to make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with the laws applicable thereto. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-5-4.

(14) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or its employees in connection with motor vehicles or property and for any additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from any liability, risk, accident, or loss related to any school property, school contract, school or school related activity, including but not limited to the purchase of insurance or the establishment and maintenance of a self-insurance program protecting such persons against false imprisonment, false arrest, libel, or slander for acts committed in the course of their employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to any property owned, leased, or held by the school corporation. To:

(A) participate in a state employee health plan under IC 5-10-8-6.6;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance;

to benefit school corporation employees, which may include accident, sickness, health, or dental coverage, provided that any plan of self-insurance shall include an aggregate stop-loss

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provision.

(15) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state government, the federal government, or from any other source.

(16) To defend any member of the governing body or any employee of the school corporation in any suit arising out of the performance of his duties for or employment with, the school corporation, provided the governing body by resolution determined that such action was taken in good faith. To save any such member or employee harmless from any liability, cost, or damage in connection therewith, including but not limited to the payment of any legal fees, except where such liability, cost, or damage is predicated on or arises out of the bad faith of such member or employee, or is a claim or judgment based on his malfeasance in office or employment.

(17) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures for the government and management of the schools, property, facilities, and activities of the school corporation, its agents, employees, and pupils and for the operation of its governing body, which rules, regulations, and procedures may be designated by any appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(18) To ratify and approve any action taken by any member of the governing body, any officer of the governing body, or by any employee of the school corporation after such action is taken, if such action could have been approved in advance, and in connection therewith to pay any expense or compensation permitted under IC 20-5-1 through IC 20-5-6 or any other law.

(19) To exercise any other power and make any expenditure in carrying out its general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including but not limited to the acquisition of property or the employment or contracting for services, even though such power or expenditure shall not be specifically set out herein. The specific powers set out in this section shall not be construed to limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-5-1 through IC 20-5-6 by specific language or by reference to other law.

SECTION 4. IC 20-5-6-6 IS AMENDED TO READ AS FOLLOWS



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[EFFECTIVE JULY 1, 2003]: Sec. 6. (1) Where a school lunch fund and a textbook rental fund are created in accordance with section 4 or 5 of this chapter, the receipts and expenditures therefrom for the program to which each relates shall be made to and from such fund without appropriation or the application of other statutes and rules relating to the budgets of municipal corporations.

(2) Where either the lunch program or textbook rental program are is handled through the extracurricular account, the governing body of the school corporation shall approve the amount of the bond of the treasurer of the extracurricular account in an amount deemed by it sufficient to protect the account for all funds coming into the hands of the treasurer of such account.

SECTION 5. IC 20-5-62-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. Notwithstanding any other law, the operation of the following is suspended for a freeway school corporation or a freeway school if the governing body of the school corporation elects to have the specific statute or rule suspended in the contract:

(1) The following statutes and rules concerning curriculum and instructional time:

IC 20-10.1-2-2

IC 20-10.1-4-6

IC 20-10.1-4-7

IC 20-10.1-4-9.1

511 IAC 6-7-6

511 IAC 6.1-3-4

511 IAC 6.1-5-0.5

511 IAC 6.1-5-1

511 IAC 6.1-5-2.5

511 IAC 6.1-5-3.5

511 IAC 6.1-5-4

(2) The following rules concerning pupil/teacher ratios:

511 IAC 6-2-1(b)(2)

511 IAC 6.1-4-1

(3) The following statutes and rules concerning textbooks:

IC 20-10.1-9-1

IC 20-10.1-9-18

IC 20-10.1-9-21

~~IC 20-10.1-9-23~~

IC 20-10.1-9-27

IC 20-10.1-10-1

IC 20-10.1-10-2

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1 511 IAC 6.1-5-5

2 (4) 511 IAC 6-7, concerning graduation requirements.

3 (5) 511 IAC 6-2-1(c)(4), concerning pupil/principal ratios.

4 (6) 511 IAC 2-2, concerning school construction and remodeling.

5 (7) IC 20-1-1.2, concerning the performance-based accreditation
6 system.

7 (8) IC 20-10.1-16, concerning the ISTEP program established
8 under IC 20-10.1-16-8, if an alternative locally adopted norm and
9 criterion referenced assessment program is adopted under section
10 6(7) of this chapter.

11 SECTION 6. IC 20-8.1-1-6.5 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2003]: **Sec. 6.5. As used in this article,**
14 **"accredited nonpublic school" means a nonpublic school that:**

15 (1) voluntarily seeks; and

16 (2) receives;

17 **accreditation as authorized under IC 20-1-1-6(a)(5).**

18 SECTION 7. IC 20-8.1-1-19 IS ADDED TO THE INDIANA CODE
19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
20 1, 2003]: **Sec. 19. As used in this article, "textbook" has the**
21 **meaning set forth in IC 20-10.1-1-12.5.**

22 SECTION 8. IC 20-8.1-9-3 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) If a parent of a
24 child or an emancipated minor who is enrolled in a public school, in
25 grades K-12, meets the financial eligibility standard under section 2 of
26 this chapter, the parent or the emancipated minor may not be required
27 to pay the fees for school books, supplies, or other required class fees.
28 Such fees shall be paid by the school corporation in which the child
29 resides.

30 (b) The school corporation may apply for a reimbursement under
31 section 9 of this chapter from the department of the costs incurred
32 under subsection (a):

33 (c) To the extent the reimbursement received by the school
34 corporation is less than the textbook rental fee assessed for textbooks
35 that have been adopted under IC 20-10.1-9-1 or waived under
36 IC 20-10.1-9-27, the school corporation may request that the parent or
37 emancipated minor pay the balance of this amount.

38 SECTION 9. IC 20-8.1-9-5 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. All school
40 corporations must give notice in nontechnical language and in a
41 manner that can be reasonably expected to reach parents of school
42 children before the collection of any fees. ~~for schoolbooks and supplies.~~



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This notice shall inform the parents of the availability of assistance, the eligibility standards, the procedure for obtaining assistance, including the right and method of appeal, and the availability of application forms at a designated school office.

SECTION 10. IC 20-8.1-9-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11. Under extraordinary circumstances, the township trustee may pay for the fees ~~enumerated~~ **described** in section 3 of this chapter for individuals who do not otherwise qualify under the financial eligibility standard established in this chapter. Assistance in such cases may be provided by the township trustee under IC 12-20.

SECTION 11. IC 20-8.1-9.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 9.5. Reimbursement for Textbooks for Students in Accredited Nonpublic Schools

Sec. 1. This chapter applies to students who are enrolled in accredited nonpublic schools.

Sec. 2. The department shall reimburse a parent or an emancipated minor for textbook expenses that are incurred for the parent's child or the emancipated minor.

Sec. 3. There is no financial eligibility requirement to receive reimbursement under this chapter.

Sec. 4. The amount of reimbursement under this chapter is the amount established in IC 21-2-20.

Sec. 5. An accredited nonpublic school may assist a parent or an emancipated minor in obtaining reimbursement under this chapter.

Sec. 6. The following apply to an application for reimbursement under this chapter:

(1) The department shall provide an application form prescribed by the state board of accounts.

(2) The department shall establish a filing date.

(3) The applicant shall certify the following in the application to the department:

(A) The name, age, and grade level of the student who is enrolled in an accredited nonpublic school and for whom the applicant seeks reimbursement.

(B) The expense incurred in providing textbooks to the student.

(C) That each textbook included in the reimbursement request (except those textbooks used for special education

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or gifted and talented instruction) has been adopted by the Indiana state board of education under IC 20-10.1-9-1 or has been waived by the Indiana state board of education under IC 20-10.1-9-27.

(D) That the amount of reimbursement requested for each nonconsumable textbook does not exceed twenty percent (20%) of the costs incurred for the textbook, as provided in the textbook adoption list in each year of the adoption cycle.

(E) Any other information required by the department, including the following:

(i) Copies of invoices or purchase orders used to acquire textbooks.

(ii) Information about the student.

(iii) Information about the accredited nonpublic school.

Sec. 7. The department shall use money in the supplemental textbook fund established by IC 21-2-20-5 to make reimbursements under this chapter.

Sec. 8. The department may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 12. IC 20-10.1-1-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12.5. As used in this article, ~~the term~~ "textbook" means systematically organized material, designed to provide a specific level of instruction in a subject matter category. **The term refers to the following:**

(1) Instructional material that is used by students for more than one (1) year, including material used in special education and gifted and talented classes.

(2) Workbooks and consumable instructional materials that are used by students for not more than one (1) school year, including workbooks, consumable textbooks, and other consumable instructional materials that are used in special education and gifted and talented classes.

(3) Developmentally appropriate material used instead of items described in subdivisions (1) through (2) for instruction in:

(A) kindergarten through grade 3;

(B) laboratories;

(C) literature programs;

(D) special education; or

(E) gifted and talented classes.

SECTION 13. IC 20-10.1-9-19 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 19. ~~Time Basis~~
 2 ~~Purchase~~: When a school corporation purchases textbooks on a time
 3 basis, the schedule for payments shall coincide with ~~pupil payments the~~
 4 **textbook grant distribution** to the school corporation, ~~for textbook~~
 5 ~~rental~~ and the schedule shall not require the school corporation to
 6 assume a greater burden than payment of twenty-five percent (25%)
 7 within thirty (30) days after the beginning of the school year
 8 immediately following delivery by the contracting publisher with the
 9 school corporation's promissory note evidencing the unpaid balance.

10 SECTION 14. IC 20-10.1-9-20 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 20. Each school
 12 corporation may borrow money to buy textbooks and may issue notes,
 13 maturing serially in not more than six (6) years and payable from its
 14 ~~general~~ **textbook** fund, to secure the loan. However, when an adoption
 15 is made by the state board of education for less than six (6) years, the
 16 period of time for which the notes may be issued is limited to the
 17 period of time for which that adoption is effective. Notwithstanding
 18 other provisions of this section, a school township may not borrow
 19 money to purchase textbooks unless a petition requesting such an
 20 action and bearing the signatures of twenty-five percent (25%) of the
 21 resident taxpayers of the school township has been presented to and
 22 approved by the township trustee and township board.

23 SECTION 15. IC 20-10.1-10-1 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) Except as
 25 provided in ~~subsections (b) and (c)~~ **subsection (b)** and all laws to the
 26 contrary notwithstanding, each governing body shall purchase from a
 27 contracting publisher, at the net contract price or at any subsequent
 28 lower price, the textbooks adopted by the Indiana state board of
 29 education and selected by the proper local officials ~~and shall rent these~~
 30 ~~textbooks to each student enrolled in any public school which is in~~
 31 ~~compliance with the minimum certification standards of the Indiana~~
 32 ~~state board of education and is located within the attendance unit~~
 33 ~~served by the governing body:~~

34 ~~(b) This section does not prohibit the purchase of these textbooks at~~
 35 ~~the option of any student or the providing of free textbooks by the~~
 36 ~~governing body under IC 20-10.1-11: to carry out IC 20-10.1-11.5.~~

37 ~~(c)~~ **(b)** This section does not prohibit a governing body from
 38 suspending the operation of this section under a contract entered into
 39 under IC 20-5-62.

40 SECTION 16. IC 20-10.1-10-2 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. ~~(a)~~ Each governing
 42 body may purchase from a contracting publisher, at the net contract

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price or at any subsequent lower price, any textbook adopted by the state board of education and selected by the proper local officials and may rent these textbooks to students enrolled in any public or nonpublic school which is in compliance with the minimum certification standards of the state board of education and is located for sale to parents of nonpublic school students and emancipated minors who are eligible for reimbursement under IC 20-8.1-9.5, if the student resides within the attendance unit served by the governing body, at an annual rental not to exceed twenty-five percent (25%) of the retail price of the textbooks.

(b) However, the governing body may not assess a rental fee of more than fifteen percent (15%) of the retail price of a textbook that has been:

- (1) adopted for usage by students under IC 20-10.1-9;
- (2) extended for usage by students under IC 20-10.1-9-1(b); and
- (3) paid for through rental fees previously collected.

(c) This section does not limit any other laws but is supplementary.

The selling price of a textbook must equal the purchase price.

SECTION 17. IC 20-10.1-11.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 11.5. Textbooks for Public School Students

Sec. 1. As used in this chapter, "student" means a student enrolled in a school corporation, including transfer students.

Sec. 2. As used in this chapter, "textbook" has the meaning set forth in IC 20-10.1-1-12.5.

Sec. 3. As used in this chapter, "textbook fund" refers to a fund established under IC 21-2-19.

Sec. 4. The governing body of each school corporation shall do the following:

- (1) Acquire and maintain a sufficient number of textbooks to meet the needs of each student.
- (2) Appropriate from the school corporation's textbook fund established under IC 21-2-19 the money necessary to acquire textbooks.
- (3) Loan free of charge to each student all textbooks prescribed for the student's grade or classes.
- (4) Prescribe guidelines for the following:
 - (A) The availability of textbooks to students.
 - (B) The care and custody of textbooks by students.
 - (C) The return of textbooks by students.
- (5) Provide facilities for the safekeeping of textbooks.



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(6) Fumigate or destroy textbooks at the times and under rules or regulations prescribed by local and state health authorities or determined by the governing body.

Sec. 5. The parent of a student who is loaned a textbook under this chapter or an emancipated minor who is loaned a textbook under this chapter is financially responsible for the following according to the guidelines adopted by the school corporation under this chapter:

- (1) Wear, except for reasonable wear, on a textbook.
- (2) Loss, mutilation, or defacement of a textbook.
- (3) Failure to return a textbook to the school corporation upon request.
- (4) Other matters concerning the use and care of textbooks.

Sec. 6. (a) If a student is transferred to a school corporation other than the one in which the student is a resident under IC 20-8.1-6.1, the governing body of the school corporation to which the student is transferred shall provide textbooks to the transferred student.

(b) The annual settlement between school corporations for tuition of transferred students must include amounts for furnishing textbooks to transferred students at a rate determined by the board.

Sec. 7. A governing body may sell textbooks to students who wish to purchase textbooks at the price stipulated in the contracts under which the books are purchased by the school corporation. Money from sales to students must be paid into the textbook fund.

Sec. 8. A school corporation may not conduct a textbook rental program for students of the school corporation for a school year beginning after June 30, 2003.

SECTION 18. IC 21-2-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The trustee, with the advice and consent of the township board, shall use such "seminary lands school account" for the following educational purposes:

(1) Each year the trustee shall pay to the parent or legal guardian of any child, whose residence is within said township, initial cost for the rental of textbooks used in any elementary or secondary school which has been duly accredited by the state of Indiana. Such reimbursement for the rental of school books shall be for the initial yearly rental charge only, and books subsequently lost or destroyed shall not be paid for from this account.

(2) (1) Students who are residents of said the township for the last two (2) years of their secondary education and who still reside

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1 within ~~said the~~ township shall receive financial assistance in an
 2 amount not to exceed an amount determined by the trustee and
 3 the township board during an annual review of higher education
 4 fees and tuition costs of post-high school education at any
 5 accredited college, university, junior college, or vocational or
 6 trade school. Amounts to be paid to each eligible student shall be
 7 set annually following this review. The amount so paid each year
 8 shall be equitable for every eligible student without regard to race,
 9 religion, creed, sex, disability, or national origin and must be
 10 based on the number of students and the amount of funds
 11 available each year.

12 ~~(3)~~ (2) A person who has been a permanent resident of the
 13 township continuously for at least two (2) years and who needs
 14 educational assistance for job training or retraining may apply to
 15 the trustee of the township for financial assistance. The trustee
 16 and the township board shall review each application and make
 17 assistance available according to the need of each applicant and
 18 the availability of funds.

19 ~~(4)~~ (3) If all the available funds are not used in any one (1) year,
 20 ~~said the~~ unused funds shall be retained in ~~said the~~ account by the
 21 trustee for use in succeeding years.

22 (b) The bond required by law for the trustee shall be increased by an
 23 amount equal to the sum of the seminary township school fund and the
 24 average annual rental income from ~~said~~ seminary lands.

25 (c) All funds and accounts provided in this chapter and the
 26 accumulation thereof shall be periodically audited and examined in the
 27 same manner provided by law for public money.

28 (d) All expenditures and payments made under this chapter shall be
 29 made only after necessary expenditures for the protection and
 30 maintenance of the seminary land in good and safe condition are first
 31 made from the annual rental income.

32 SECTION 19. IC 21-2-11-2 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The governing body
 34 of each school corporation ~~in the state of Indiana~~ shall establish a
 35 general fund for the operation and maintenance of local schools and
 36 levy a tax therefor. All receipts and disbursements ~~heretofore~~
 37 authorized by law for school funds and tax levies for the tuition fund,
 38 special school fund, special fund, vocational fund, recreation fund,
 39 compulsory education fund, ~~school library fund, high school library~~
 40 ~~fund, public employee's employees'~~ retirement fund, operating fund,
 41 transportation tax and county wide school tax shall ~~on and after January~~
 42 ~~1, 1968~~, be received in and disbursed from the general fund. A tax levy

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and rate for the general fund shall be established by the governing body of each school corporation for ~~the 1968 each~~ calendar year. ~~and all succeeding calendar years. Any balances of all the aforesaid funds on January 1, 1968 shall be transferred to the general fund.~~

SECTION 20. IC 21-2-11-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. Any self-supporting programs maintained by any school corporation, including but not limited to school lunch, ~~and rental or sale of textbooks~~, may be established as separate funds, separate and apart from the general fund, if no local tax rate is established ~~therefor.~~ **for the programs.**

SECTION 21. IC 21-2-19 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 19. Textbook Fund

Sec. 1. As used in this chapter, "fund" refers to a textbook fund established under section 3 of this chapter.

Sec. 2. As used in this chapter, "textbook" has the meaning set forth in IC 20-10.1-1-12.5.

Sec. 3. A school corporation shall establish a textbook fund.

Sec. 4. Money in the fund may be used only for the following purposes:

- (1) Payment of principal and interest on loans obtained by the school corporation to purchase textbooks.
- (2) Implementation of IC 20-10.1-11.5, including the purchase, storage, distribution, or repair of textbooks.

Sec. 5. A school corporation shall deposit in the fund the following:

- (1) State textbook grant distributions.
- (2) Receipts from sales of textbooks under IC 20-10.1-10-2 and IC 20-10.1-11.5-7.
- (3) Revenue designated by statute for the fund.
- (4) Revenue of the school corporation that the governing body designates for the fund.

Sec. 6. Money in the fund at the end of a school year or fiscal year does not revert to the school general fund.

SECTION 22. IC 21-2-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 20. Supplemental Textbook Fund for Students in Accredited Nonpublic Schools

Sec. 1. As used in this chapter, "department" refers to the department of education established by IC 20-1-1.1-2.



1 **Sec. 2.** As used in this chapter, "fund" refers to the
 2 supplemental textbook fund established by section 5 of this
 3 chapter.

4 **Sec. 3. (a)** As used in this chapter, "nonpublic school" has the
 5 meaning set forth in IC 20-10.1-1-3.

6 **(b)** As used in this chapter, "accredited nonpublic school"
 7 means a nonpublic school that:

8 (1) voluntarily seeks; and

9 (2) receives;

10 accreditation as authorized under IC 20-1-1-6(a)(5).

11 **Sec. 4.** As used in this chapter, "textbook" has the meaning set
 12 forth in IC 20-10.1-1-12.5.

13 **Sec. 5.** The supplemental textbook fund is established to provide
 14 money for textbook reimbursements under IC 20-8.1-9.5 to:

15 (1) parents of students in accredited nonpublic schools; and

16 (2) emancipated minors who are students in accredited
 17 nonpublic schools.

18 **Sec. 6.** The department shall administer the fund. Expenses of
 19 administering the fund shall be paid from money in the fund.

20 **Sec. 7.** The fund consists of appropriations by the general
 21 assembly.

22 **Sec. 8.** The treasurer of state shall invest the money in the fund
 23 not currently needed to meet obligations of the fund in the same
 24 manner as other public funds may be invested. Interest earned
 25 from investment of the fund shall be credited to the fund.

26 **Sec. 9.** Money in the fund at the end of a state fiscal year does
 27 not revert to the state general fund.

28 **Sec. 10. (a)** Subject to balances available in the fund, the
 29 treasurer of state shall pay the amount determined under
 30 subsection (b). The amount is payable in the manner provided in
 31 IC 20-8.1-9.5.

32 **(b)** The amount of annual reimbursement for textbooks may not
 33 exceed eighty-five dollars (\$85) for a student who is enrolled full
 34 time in an accredited nonpublic school.

35 SECTION 23. IC 21-3-1.7-9.9 IS ADDED TO THE INDIANA
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2003]: **Sec. 9.9. (a)** A school corporation is
 38 eligible for an amount for a textbook grant that is equal to the
 39 school corporation's current ADM multiplied by eighty-five dollars
 40 (\$85).

41 **(b)** The distribution received under this section shall be
 42 deposited in a school corporation's textbook fund and used only for

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the purposes specified in IC 21-2-19-4.

SECTION 24. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2003]: IC 20-2-9-5; IC 20-5-6-5; IC 20-8.1-9-9; IC 20-8.1-9-9.1; IC 20-8.1-9-9.5; IC 20-8.1-9-9.6; IC 20-8.1-9-14; IC 20-10.1-1-12; IC 20-10.1-9-23; IC 20-10.1-11.

SECTION 25. [EFFECTIVE JULY 1, 2003] (a) A school corporation may not conduct a textbook rental program for a school year beginning after June 30, 2003.

(b) On July 1, 2003, a school corporation shall transfer any unencumbered money in any fund or account used for textbook rental fees to the textbook fund established by IC 21-2-19, as added by this act. The money transferred under this SECTION may be used for any purpose for which other money in the textbook fund may be used.

(c) This SECTION expires January 1, 2007.

SECTION 26. [EFFECTIVE JULY 1, 2003] (a) The department of local government finance shall reduce the:

(1) maximum permissible ad valorem property tax levy imposed by IC 6-1.1-18.5-3; and

(2) poor relief levy;

of each township to reflect the effect of this act on the obligation of township trustees to pay school fees under IC 20-8.1-9-11.

(b) The department of local government finance shall reduce the:

(1) maximum permissible ad valorem property tax levy imposed by IC 6-1.1-19-1.5; and

(2) general fund property tax levy;

of each school corporation that operated an elementary school library or a high school library under IC 20-10.1-11 (as effective on June 30, 2003) to provide free textbooks to resident students before July 1, 2003, to reflect the transfer of textbook funding to the textbook fund established under IC 21-2-19, as added by this act.

(c) Any loan:

(1) obtained to purchase textbooks (as defined in IC 20-10.1-1-12.5, as amended by this act); and

(2) payable from a school general fund before July 1, 2003;

shall be paid from the textbook fund after June 30, 2003.

(d) This SECTION expires January 1, 2007.

SECTION 27. [EFFECTIVE JULY 1, 2003] (a) There is appropriated from the state general fund to the state superintendent of public instruction for the biennium beginning July 1, 2003, and ending June 30, 2005, a sufficient amount of

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1 money for textbook grants to school corporations under
2 IC 21-3-1.7-9.9, as added by this act.

3 (b) There is appropriated from the state general fund to the
4 supplemental textbook fund established by IC 21-2-20-5, as added
5 by this act, for the biennium beginning July 1, 2003, and ending
6 June 30, 2005, eighty-five dollars (\$85) per school year for each
7 student enrolled in an accredited nonpublic school for whom
8 reimbursement for textbooks is provided under IC 20-8.1-9.5, as
9 added by this act.

10 (c) This SECTION expires July 1, 2005.

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